

NEW YORK TIMES 20 JUL 67

Approved For Release 2004/05/05 : CIA-RDP69B00369R000100240007-2

U.S. ARMS MAY GO TO MIDEAST AGAIN

Rusk Hints at Renewed Aid for Israel; Jordan, Saudi Arabia to Counter Soviet

By JOHN W. FINNEY
Special to The New York Times

WASHINGTON, July 19 —

Secretary of State Dean Rusk indicated today that the Administration was moving toward a revival of its policy of providing sufficient arms to maintain a military equilibrium in the Middle East between the nations dependent upon Soviet military aid and those dependent on Western aid.

In a State Department news conference he noted that the introduction of new Soviet weapons into the region was raising security problems for Israel and certain pro-Western Arab nations.

The Secretary said that the Administration was giving special attention to the question of resuming military as well as economic aid to Jordan. A resumption of aid to Jordan as well as certain other states in the area is "a matter of great preoccupation at the present time," he said.

State Department officials said that a review on arms shipments was focusing on Jordan, Israel and Saudi Arabia.

Continued on Page 2, Column 4

U.S. ARMS MAY GO TO MIDEAST AGAIN

Continued From Page 1, Col. 2

Before the Arab-Israeli war last month, the United States was committed to provide — Israel with two squadrons of A-4 attack bombers, Jordan with two squadrons of F-104 fighters, and Saudi Arabia with Hawk antiaircraft missiles and ground support equipment.

Jordan is regarded by State Department officials as the most urgent problem. In the past, 20 per cent of Jordan's revenue came from \$30-million in "budgetary support" supplied annually by the United States. The Jordanian armed forces were being modernized with new tanks and planes from the United States.

After the war last month, the Administration froze all aid to countries in the region.

Earlier this month, the Administration quietly gave \$2-million in "budgetary support" to Jordan as the final installment for the fiscal year just ended. Now a new quarterly installment of \$7-million is coming due, and a decision is required in the next few weeks on resuming full-scale economic aid to Jordan.

The general appraisal is that the Jordanian economy, seriously damaged by the war and the loss to Israel of the productive West Bank, has sufficient foreign reserves to carry

on for perhaps six months. It is generally recognized that the viability of King Hussein's regime and the kingdom's economy is likely to be dependent upon new United States aid.

For the moment, Jordan's ability to absorb new military equipment is viewed as limited. But some shipments are regarded as necessary to help Hussein keep his armed forces in line and resist the pressure from other Arab states to accept arms from the Soviet Union.

Mr. Rusk did not commit the United States to renewed military aid to the Middle East. But he moved considerably beyond the past State Department position that military aid was "under review," employing virtually the same phrases used in the past to justify arms sales and gifts to nations in the Middle East.